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The American Historical Review

THE FINANCIAL RELATIONS OF THE KNIGHTS TEMPLARS TO THE ENGLISH CROWN¹

THE order of the Knights Templars is familiar to all readers of the history or romance of the twelfth and thirteenth centuries for its courage, military prowess, wealth, and somewhat arrogant pride. The Templars together with the Knights of the Hospital of St. John long formed the most stable element in the Holy Land and their military services there have received full recognition. But the order also rendered important services to Christendom in a very different field of action. In the unwarlike atmosphere of the counting-room, the soldiers of the Temple, for over a century, handled much of the capital of western Europe, becoming expert accountants, judicious administrators, and pioneers in that development of credit and its instruments, which was destined to revolutionize the methods of commerce and finance. This civil aspect of the Knights Templars is comparatively little known. The custom of storing treasure at the New Temple in London is described and illustrated by Mr. Addison whose history of the order appeared in 1842.² Professor Cunningham, in the third edition of his *Growth*

¹ The following contractions are used in the foot-notes that follow :

Bond is the abbreviated reference to *Extracts from the Liberate Rolls*, by E. A. Bond *Archæologia*, XXVIII. London, 1840.

Delisle is for "Mémoire sur les Opérations Financières des Templiers. Mémoires de l'Institut National de France." *Académie des Inscriptions et Belles-Lettres*, XXXIII. Paris, 1888.

R. C. is for Record Commission.

Rot. Claus. is for *Rotuli Litterarum Clausarum*, 1204-1227. Ed. T. D. Hardy. Record Commission. 2 vols. London, 1833-1844.

Rot. Pat. is for *Rotuli Litterarum Patentium*, 1201-1216. Ed. T. D. Hardy. Record Commission. London, 1835.

R. S. is for "Rolls Series."

Rymer is for *Fædera*, ed. Thomas Rymer. Record Commission, 4 vols. London, 1816-1869.

² *History of the Knights Templars*, pp. 122-125.

of *English Industry and Commerce*, has credited the Templars with a share in the financial operations of the thirteenth century.¹ In 1889, M. Léopold Delisle made "Les Opérations Financières des Templiers" the subject of a *mémoire* before the Académie des Inscriptions et Belles-Lettres,² in which, after illustrating the employment of the order in financial affairs by the popes and by many of the princes, prelates, and magnates of western Europe, he has dealt exhaustively with the financial relations between the French kings and the Templars. It is the object of the present study to set forth, as precisely as may be, the exact nature and extent of the financial relations between the Templars and the English Crown. The subject is deserving of investigation both because of the slight contribution it may yield to the fiscal history of England in the thirteenth century, and because the civil services which the order had long been rendering at the time of its dissolution ought to be taken into account in a final estimate of its place in history.

Every financial transaction is a matter of receipt or disbursement according to the point of view. If one take one's stand in the Temple treasury in London, the relations of the order with the outside world resolve themselves, so far as money is concerned, into these two general classes. Under receipt the Temple is to be considered as a place of safe-deposit for those who had valuable possessions and as a royal treasury where funds were stored and taxes paid in. The outlook is towards the exchequer at Westminster where the fiscal system of the realm centered, and beyond to the various sources from which the king's revenue was derived. Under the second head of disbursements the relations to be examined are more directly with the king. In addition to loans and payments made at the king's order, are to be considered some more complex banking operations, in the development of which the Templars were, in M. Delisle's opinion, the rivals, if not the precursors, of the Italian societies of merchants.

The fact of any connection between the order of soldier monks, devoted to the rescue and defense of the holy sepulchre, and the financial affairs of Christendom is to be accounted for, possibly, by the common medieval practice of depositing objects of value in consecrated places for security during times of trouble and tumult. In addition to the spiritual protection of a hallowed spot, the houses of the Templars possessed the great practical advantages of having been built by men who were excellent engineers and of being defended by the bravest soldiers of the age.³

¹ P. 274.

² *Mémoires de l'Institut National de France*, XXXIII.

³ Delisle, p. 2.

To speak only of England, all classes of persons who possessed treasure seem, during the thirteenth century, to have availed themselves of the New Temple¹ for purposes of what would to-day be called safe-deposit. In the absence of any records kept by the Templars, there is evidence of this custom of storing gold, silver, jewels, and the like at the Temple on the part of individuals only when circumstances happened to give publicity to the fact. Many thirteenth century chroniclers record such deposits incidentally in narrating the story of their sequestration or confiscation. This was the case with the 40,000 marks entrusted to the Templars by Falkes de Breauté, the Norman adventurer who had served John but fell into conspiracy and rebellion against the government of Henry III. In 1226, the masters of the order in both France and England were directed to sequester this sum as an indemnity for his depredations.² So also it appears that Hubert de Burgh had deposited his treasure at the New Temple, since Henry III. confiscated it there in 1232.³ The departing Poitevins left a large sum at the Temple when they were forced to leave England in 1258.⁴ Five years later, Edward, the heir to the throne, seized £10,000 which had been deposited at the Temple by the merchants and magnates of the land.⁵ In 1278, the bishop of Rochester's chest was sequestered at the Temple on the ground of debt.⁶ Just before the downfall of the order, Edward II. seized and gave to Piers Gaveston £50,000 which had been placed in the custody of the Templars by Bishop Langton, his father's treasurer.⁷ Thus, justly or unjustly, the thirteenth century kings of England, from time to time, replenished their funds by confiscating the treasure entrusted to the Templars. These unfortunate depositors are doubtless but a small proportion of the many, whose treasures, safely guarded and restored intact, were unrecorded in the annals of the time.

"About the beginning of Henry the Second's reign, the Knights Templars, leaving their home in Holburne, situate on the south part of that street where Southampton House lately stood, . . . did, for their more conveniency, set up another habitation for themselves over against the end of a street heretofore called New Street but now Chancery Lane; which had thereupon the name of the New Temple and contained all that space of ground from the White Fryers westwards unto Essex House, without Temple Barr."—Dugdale, *Originales Juridicales*, 144.

¹ *Rot. Claus.*, II. 214.

² Matthew Paris (R. S.), III. 232; Roger of Wendover (R. S.), III. 41; *Calendar of Documents rel. to Scotland* (ed. J. Bain), I. No. 1163.

³ Matthew Paris (R. S.), V. 704; Stubbs, *Const. Hist.* (fourth edition), II. 81.

⁴ *Annales Monastici* (R. S.), III. 222; Gervase of Canterbury (R. S.), II. 222; Sharpe, *London and the Kingdom*, I. 94.

⁵ *Calendar of Close Rolls*, 1172-1279, pp. 446-447.

⁶ Walter of Hemingburgh (Eng. Hist. Soc.), II. 273; Stubbs, *Const. Hist.*, II. 335.

The Temple was also, quite naturally, used as a place of deposit for papal subsidies,¹ and for bequests and grants in aid of the Holy Land. Notices in the records of the period from Henry II.'s reign to that of Edward II. furnish abundant evidence that this was the usual practice.² Thus the custom of storing treasure at the New Temple may be regarded as established by the beginning of the thirteenth century. There were deposited the wealth of the magnates of the land, lay and ecclesiastical, the surplus capital of the merchants, and the papal subsidies.

By far the largest depositors on the books of the Templars were doubtless the English kings who regularly made use of the Temple as one of the royal treasuries. "It is to be understood," says Madox, "that the king had several treasuries, for though the receipt of the Exchequer was the principal place where his treasure was paid in, yet it was sometimes paid and deposited, at least for the present, in the king's wardrobe, in the Tower of London, and in the New Temple at London."³ An early notice of this use of the New Temple occurs in a fragment of an exchequer receipt roll for the year 1185. From this it appears that the exchequer was at Westminster. From funds received there, the treasury at Winchester was replenished, while the balance was deposited in the Temple. This was at the Michaelmas term. An accountant who appeared in the following February paid in his money directly at the Temple.⁴ King John deposited the crown jewels and important records in the Temple, as well as money; in 1215, for example, the account of a secret agreement between John and his sister-in-law, Berengaria, was placed in the New Temple.⁵ Under Henry III. and Edward I., the Temple continued to serve as a royal treasury. In 1220, the papal nuncio, Master Pandulf, then an important factor in the English government, wrote to the treasurer and vice-chancellor to deposit the money in hand at the house of the Temple.⁶ In 1276, Ed-

¹ In 1214, the papal legate was entertained at the New Temple for three days at a cost to King John of £6 19s. 5d. *Rot. Claus.*, I. 175. See also Matthew Paris (R. S.), IV. 557.

² Henry II. in his will of 1182 provided that a bequest for the Holy Land should be entrusted to the Templars. Rymer, I. 47. Almost a century later, Richard of Cornwall's bequest for the same object was deposited with them. *Compilation de Bérard de Naples*, cited by Delisle, 29, 109. Subsidies for the Holy Land were to be deposited at the Temple in 1286. *Calendar of Patent Rolls*, 1281-1292, pp. 231, 244; in 1291, Madox, *Exchequer*, I. 271, note G; and in 1300, Bond, 215. See also *Calendar of Patent Rolls*, 1301-1307, pp. 27, 63, 234; and *Rotuli Parliamentorum*, I. 343.

³ Madox, *Exchequer*, I. 267.

⁴ *Receipt Roll of the Exchequer for Michaelmas Term*, 1185, pp. vi, 31.

⁵ Rymer, I. 126; *Letters of Royal and Illustrious Ladies* (ed. M. A. E. Wood), I. 31. For other examples in John's reign, see *Rot. Pat.*, 48, 54, 51, 58, 131, 134; *Calendar of Documents rel. to Ireland* (R. S.), I. No. 541.

⁶ *Letters, Henry III.* (R. S.), I. 113; see also pp. 118-120.

ward I. had a deposit at the Temple from which he withdrew 1,000 marks.¹ Many texts of the thirteenth century record the paying in or actual receipt at the Temple of various specific kinds of taxes, such as aids,² carucage,³ fractional grants of movables,⁴ tallage of London⁵ and of the Jews,⁶ the Irish treasure,⁷ queen's gold,⁸ and feudal dues.⁹

A survey of the available evidence concerning the Temple as a royal treasury leaves the impression that it was constantly employed for this purpose for about a century. The relations between it and the exchequer tended to become closer as time went on. In the first twelve or fifteen years of Edward I.'s reign, the Temple treasurer must constantly have been carrying on his books a large volume of accounts relative to the receipt of the royal revenue. Yet, important as these services must have been, it is at this point that the chief difference appears between the relation of the order to the fiscal system in England and in France. Unfortunately, in the matter of records, there is nothing for England comparable to a document printed by M. Delisle, which, he is convinced, is a part of a day-book kept by the Templars at the Temple in Paris during 1295-1296.¹⁰ From this and from other evidence produced by M. Delisle, it is clear that, from the time of Louis IX. well into the reign of Philip the Fair, the chief royal treasury was at the Temple. The treasurer of the Temple was the king's treasurer. France, less fortunate than England in her administrative development, owed what order and system there were in the management of the fisc to the Templars. Yet, if in England the Temple played a comparatively subordinate role, it still seems to have been an integral part of the financial system of the government.

¹ *Calendar of Close Rolls, 1272-1279*, p. 264. For further illustration of this practice, see *Calendarium Rotulorum Patentium* (R. C.), p. 21; Madox, *Exchequer*, I. 270, note F.

² Rymer, I. 87; *Rot. Claus.*, I. 516.

³ *Ibid.*, I. 437, cf. Dowell, *Taxation*, I. 37.

⁴ Matthew Paris (R. S.), III. 230-232; Rymer, I. 207; cf. Dowell, *Taxation*, I. 62, 66; Matthew Paris (R. S.), III. 221; cf. Dowell, *Taxation*, I. 65, 66; Madox, *Exchequer*, I. 270, note D; cf. Dowell, *Taxation*, I. 68; *Deputy Keeper's Report*, V. 64, No. 445; *Calendar of Close Rolls, 1272-1279*, pp. 21, 25, 79; *Calendar of Patent Rolls, 1272-1281*, pp. 140-141; *Ibid.*, 1281-1292, pp. 70, 184; *Hist. MSS. Com.*, IV. 395.

⁵ *Calendar of Close Rolls, 1272-1279*, p. 63.

⁶ *Calendar of Patent Rolls, 1272-1281*, pp. 52, 99, 100.

⁷ *Calendar of Documents rel. to Ireland* (R. S.), I. No. 2871; No. 3013; No. 3189.

⁸ *Calendarium Rotulorum Patentium* (R. C.), 21; Madox, *Exchequer*, I. 270, note E.

⁹ *Rot. Pat.*, 189; *Rotuli Selecti*, ed. J. Hunter (R. C.), 117; *Calendar of Close Rolls, 1272-1172*, p. 943; *Calendar of Patent Rolls, 1272-1281*, pp. 166-167, 170-171, 208.

¹⁰ Delisle, 73-86, app. xxix; also pp. 40-73 and app. xxii-xxviii.

Individual knights and the order as a whole were commonly employed by the English kings in the collection and transportation of revenue, missions for which they possessed obvious qualifications. Movable property was first taxed in order to provide money for the Crusades. In the ordinances of 1184 and 1188,¹ it is provided that a Templar and a Hospitaller should assist in the collection of the money in each district. It would seem from the story of Gilbert Hoxton that the Templars were sometimes unworthy of the trust imposed. Gilbert Hoxton was a brother of the Temple of Jerusalem whom the Lord King had appointed to collect tithes together with his clerks. Money was constantly being added to the chest, yet the sum total steadily diminished. It was presently found that Brother Gilbert was responsible for this phenomenon and we read that, although spared by the King, he was properly punished by the master of the Temple.²

Both John and Henry III. frequently sent Templars on financial errands.³ In Henry III.'s time, the order of the Templars and that of the Hospitallers were employed for the transportation of money between England and Ireland, and between England and France. In 1228, for example, the indemnity which Henry III. had agreed to pay for injuries to the men of St. Émilion was entrusted, on account of the dangerous conditions of the roads, to the Templars in England, who undertook to see that it was safely brought to Paris.⁴

A Templar was sometimes employed as one of a board for auditing accounts.⁵ In one case, in 1294, a committee of three to adjust the conversion from old to new money included both the preceptor and treasurer of the Temple in London.⁶ Thus it seems to have been customary to employ Templars in matters of financial administration which involved skill, accuracy, and honesty throughout the thirteenth century. They must, therefore, have possessed these qualities in the opinion of the government. The order as a whole, and individual members, like Aimeric de St. Maur in the first quarter of the century or Brother Warin in the last, were honest and efficient agents in matters pertaining to finance.

The first of the functions to be examined under the general head of disbursements is in the nature of what would to-day be called

¹ Stubbs, *Select Charters*, 159; *Liber Custumarum* (R. S.), 654; *Benedict of Peterborough* (R. S.), II. 31.

² *Benedict of Peterborough* (R. S.), II. 47-48.

³ *Rot. Pat.*, 122, 123, 142, 159; *Rot. Claus.*, I. 381, 514, 558.

⁴ *Letters, Henry III.* (R. S.), I. 336-337. See also *Rot. Claus.*, I. 431; *Rôles Gascons* (Ed. Michel), I. No. 3999; *Deputy Keeper's Report*, V. p. 62, No. 409.

⁵ *Calendar of Documents relating to Ireland* (R. S.), I. No. 2157; II. No. 238; *Calendar of Patent Rolls*, 1272-1281, pp. 379, 451.

⁶ *Calendar of Patent Rolls*, 1292-1301, p. 88.

"trusteeship." From the middle of the twelfth to late in the thirteenth century, the Templars occasionally acted as trustees of funds placed in their custody for the execution of some specified project, which they held for a longer or shorter time and then paid out according to the terms of the trust. Bishop Stubbs has pointed out the special qualifications of the military orders for services of this sort:¹—"Their character as corporations, undying and free from the evils of old age and infancy, and, perhaps, a trust not misplaced in the virtue and honor of the knights."

The earliest notice of the employment of the Templars as trustees comes from the first part of Henry II.'s reign.² Louis VII. had taken from Stephen certain castles in Normandy which Henry II. was anxious to recover. He accordingly arranged a marriage between his infant son and Louis VII.'s daughter, who was to receive the castles as her dower. Until the children should be old enough to marry, it was agreed that the castles should be held in trust by the Templars. In Henry II.'s will there is an allusion to money entrusted to the Templars before 1182.³ John, in 1214, made them trustees of certain sums to be paid to two of his French vassals.⁴ To mention one of several instances in the reign of Henry III., the Countess of Leicester was induced to sign the renunciation clause in the treaty between Henry III. and Louis IX. only by the deposit of 15,000 marks with the Templars in Paris as a guaranty fund, securing her dower rights from the Marshall estate.⁵ These examples sufficiently illustrate the confidence reposed in the order's integrity and stability by English kings for over a century.⁶

The thirteenth century kings of England were in an unfortunate position financially. Their needs had increased out of all proportion to their revenues, yet the king was still expected "to live of his own." Grants of supplies made from time to time by the Great Council were for emergencies of one sort and another, chiefly, of course, for war expenses. The collection of these grants took time; meanwhile expenses must be met. The earlier Norman kings pro-

¹ *Itinerarium . . . Ricardi* (R. S.), pp. cvi, cvii.

² William of Newburgh (R. S.), I. 158-159.

³ Rymer, I. 47.

⁴ M. Delisle (pp. 11-12) has explained that these pensions were awarded by John as a stroke of diplomacy to keep to their allegiance some of his vassals whose lands had been seized by Philip Augustus. See *Rol. Pat.*, 116, 119, 121.

⁵ In 1273, Eleanor entered a claim for the 15,000 marks from Louis IX.'s executors. Philip III. wrote that Henry III. had received the money eight years before. See M. A. E. Green, *Lives of the Princesses of England*, II. 58-59; 114-115; Pémont, *Simon de Montfort*, 330-331, 182, 185, 250-251; *Deputy Keeper's Report*, VI. 90, Nos. 1124. 1130.

⁶ See also *Calendar of Documents rel. to Scotland* (ed. J. Bain), I. Nos. 1003-1005; Rymer, I. 616; *Calendar of Patent Rolls*, 1281-1292, p. 247.

vided against difficult situations of this sort by the practice of hoarding; but the loss of the continental possessions made this solution more difficult for John and his successors. In the backward economic condition of England, there was no class of subjects upon which the king could rely for loans. Thus the question of financing their projects was for the English kings of this period an extremely serious one. The Jews were systematically drained dry of all the gold which the royal license enabled them to absorb. Extortion was practised upon the religious corporations. After the middle of the century, loans from the Italian merchants become prominent in the records.¹

On the other hand, the Templars were very wealthy. From the early days of its foundation, gifts to the order had been considered acts of piety calculated to promote the eternal welfare of the giver's soul, a subject in which the average man of the Middle Ages was most deeply interested. The order, therefore, acquired great estates from which large revenues poured into its treasury. That much capital was placed in its charge by individuals has already been shown. Thus the Templars were in a position to become the bankers of the English kings, since they had ready money and were in close financial relations with the government. The surprising thing is not that the kings borrowed of them, but that they did not borrow much oftener and in larger amounts than the evidence indicates.

Throughout his reign John frequently applied to the Templars for money, which they lent him sometimes on security, sometimes, apparently, on the royal promise to pay. In the last four years of his reign John often stayed at the Temple.² The master of the order in England, Aimeric de St. Maur, was one of those who steadily supported the King to the end. He advised John to sign Magna Charta, in which instrument his name appears;³ and he was named in John's will as an executor with Pandulf, William Briwere, Walter de Lacy, Falkes de Breauté, and others.⁴ John evidently depended much on his aid and counsel.⁵ Aimeric de St. Maur lived until about 1219 when he was succeeded by Alan Marcel.⁶ The sums which the Templars lent to King John range from the comparatively trifling amount of one gold mark, which he borrowed in 1213 for an offering on the day of his absolution,⁷ to loans of

¹ Bond, pp. 212-225.

² Itinerary of John, in *Rot. Pat.*, Introduction.

³ Stubbs, *Select Charters*, 296; Matthew Paris (R. S.), II. 584, 589-590.

⁴ Stubbs, *Const. Hist.*, II. 17; Rymer, I. 144.

⁵ *Rot. Pat.*, 38, 156, 157.

⁶ *Deputy Keeper's Report*, IV. 156.

⁷ *Rot. Claus.*, I. 148.

one thousand marks at a time which enabled him to bring Poitevin troops to his aid in England in 1215.¹ In the years from 1203 to 1206, the Templars frequently lent John the money necessary for the ransom of his soldiers or agents who had been captured in France. The accommodation seems often to have consisted both in supplying the money and in effecting the payment of the ransom between, for example, London and Paris, or London and Gascony.² In the summer of 1216, John twice applied to the Templars for money. Brother Aimeric lent 200 marks to Engelard de Cygony in July and received a receipt from John in August.³ In September, about six weeks before his death, John wrote from Oxford to the bailiffs of Bristol that he was trying to borrow 200 marks from the Templars with which to reward the town for its aid.⁴ The Templars, in common with all the other religious corporations, had to submit to extortion on John's part; as in 1210 when he raised £100,000 from church property by "inestimable and incomparable exactions," and the Black Friars, Hospitallers, and Templars were heavily taxed.⁵

Henry III.'s borrowings of the Templars were chiefly to meet expenses arising from his relations with France. The peace of Lambeth which secured the withdrawal of Prince Louis from England involved the payment of 10,000 marks. For this purpose 500 marks were borrowed from the Templars in 1221, and the issues of the manor of Godmanchester were turned over to them until the debt should have been discharged.⁶ The order furnished money for the expenses of an embassy to France in 1225⁷; and, in 1242, when Henry III. had been reduced to financial straits by the ignominious Gascon expedition, a loan of 500 marks was made to him by the Templars in Paris.⁸ In the next period of Henry's reign the pressure for money was very great. Heavy loans were made by the merchants of Florence and Sienna to meet the expenses of the Pope's Sicilian projects which the King had undertaken to finance.⁹ In the troubled years from 1260 to 1266, money was raised on the crown jewels which had been sent to France,

¹ *Rot. Claus.*, I. 194, 198, 221; *Rot. Pat.*, 135, 141, 152, 153; see also pp. 11 and 49.

² *Rot. de Liberate*, ed. Hardy (R. C.), 54; *Rot. Pat.*, 33, 41, 42, 51, 65, 116.

³ *Rot. Pat.*, 190, 192.

⁴ *Rot. Pat.*, 196.

⁵ Matthew Paris (R. S.), II. 530; *Annales Monastici* (R. S.), II. 264.

⁶ Stubbs, *Const. Hist.*, II. 25; *Rot. Claus.*, I. 376, 465, 479. A loan of £250 was also made in this year. *Ibid.*, I. 514.

⁷ *Rot. Claus.*, II. 55.

⁸ *Rôles Gascons* (ed. Michel), I. 132.

⁹ Stubbs, *Const. Hist.*, II. 68-73.

where the Queen placed them in the Temple at Paris.¹ The Templars were connected with these operations, but as intermediaries not as principals.

The expenses of Edward's expedition to the Holy Land were not covered by the twentieth granted in 1269 and devoted to that purpose.² Large advances were made by the Templars in Paris and in the Holy Land. In the first year of his reign, Edward made a payment of 2,000 marks on a debt of £28,189 8s. 4d., for which he was bound to the treasurer of the Temple at Paris.³ In 1274, William of Beaulieu, master of the order, acknowledged the repayment by Edward of money which he had borrowed of the Templars in the Holy Land to the amount of £24,974 and £5,333 6s. 8d.⁴ It does not appear that Edward I. borrowed of the Templars so frequently as his father had done.⁵ The Italian societies of merchants supplied him with large sums. For example, in 1299, Edward guaranteed the agents of the Friscobaldi in London against any loss they might incur in connection with a loan of "2,000 pollard marks and other money now current in England," which the King had appointed them to receive of Brother Hugh, a Templar. The King agreed to pay back the loan to the Templars at a specified rate and time.⁶ Edward also borrowed of the Hospitallers, as in 1276, when they lent him 2,000 marks.⁷

Throughout the thirteenth century, it appears that the Templars frequently acted as the bankers of the English kings in the matter of loans, though the sums advanced, if Edward I.'s borrowings in the Holy Land be excluded, do not make an impressive total as compared with money derived from other sources. The order showed its practical business methods by exacting security and by the definite arrangements for repayment which were usually specified in the documents. The question as to how the Templars indemnified themselves for their services in these and other financial operations

¹ Rymer, I. 410, 435, 492, 505.

² *Deputy Keeper's Report*, V. 64, No. 445.

³ *Issues of the Exchequer*, translated by F. Devon, pp. xvii, 86; Rymer, I. 708.

⁴ Delisle, p. 245; Rymer, I. 514. Edward's notes, the letter adds, had been deposited at the Temple in Paris and could not be returned because the roads were insecure. See also Rymer, I. 516.

⁵ For further examples of loans made to Henry III. by the Templars, see *Rot. Claus.*, I. 612; II. 4; *Calendarium Rotulorum Patentium* (R. C.), 21; *Deputy Keeper's Report*, V. 85, No. 879. Sometimes the Templars refused to comply with Henry's demands. Matthew Paris (R. S.), V. 364.

⁶ *Calendar of Patent Rolls*, 1292-1301, p. 419. For other loans made by the Templars to Edward I., see *Calendar of Patent Rolls*, 1272-1281, p. 375; Madox, *Exchequer*, I. 612-613; *Calendarium Rotulorum Originalium* (R. C.), I. 114.

⁷ *Calendar of Patent Rolls*, 1272-1281, p. 147. See also *Calendarium Rotulorum Originalium* (R. C.), I. 114; *Calendar of Patent Rolls*, 1301-1307, p. 443.

can more conveniently be examined after the other matters have been considered.

Frequent notices occur in the records of the thirteenth century of payments made through the agency of the Templars. Some of these are in the nature of drafts upon a standing account. The king would address a letter to the master or to the master and brothers of the Temple, authorizing the payment, "from our treasure entrusted to you to guard," of definite sums to specified persons or their accredited agents. A few examples from each reign will sufficiently illustrate this practice.

John drew heavily upon his reserves at the New Temple for the operations in which he was engaged during the last four years of his reign. In the critical period from 1212 to 1214, large sums were sent to the continent to the Emperor Otto who was John's chief ally against Philip Augustus,¹ and to the King's half-brother, William Longsword, Earl of Salisbury, who was in command of the English forces in Flanders and was captured at Bouvines together with Ferrand, Count of Flanders.²

In 1235, Henry III. gave his sister Isabella in marriage to the Emperor Frederick with the large sum of 30,000 marks as a marriage portion. The prompt payment of the money indicates the cordial relations between King and Emperor at this time. The last installment of 10,000 marks was paid to the Emperor's messengers by Brother Hugh de Stocton, treasurer of the Temple, from the King's deposits there, in June, 1237.³ Arrangements were made, in June, 1274, for providing Edward I. with funds when he should arrive in Paris on his way home from the Holy Land. Warin, treasurer of the New Temple, was directed to pay, for this purpose, 2,000 marks to an Italian merchant, Luke de Lucca.⁴ These transactions which the Templars performed for John, Henry III. and Edward I. apparently did not, in any case, involve a more complicated operation than that of cashing an order, on its presentation by the proper person at the Temple.

¹ *Rot. Claus.*, I., 124, 179; Rymer, I., 108.

² *Rot. Claus.*, I., 136; *Rot. Pat.*, XX. 100, 103, 104. In May, 1213, 10,000 marks were withdrawn from the King's deposits at the Temple. *Rot. Claus.*, I. 134. In 1214, Pandulf received orders for large sums to be paid from the King's deposits at the Temple. Stubbs, *Const. Hist.*, I. 561; *Rot. Pat.*, 107. See also *Rot. Pat.*, 104, 173.

³ Stubbs, *Const. Hist.*, II. 52; Bond, 236; M. A. E. Green, *Lives of the Princesses of England* II. 11; Rymer, I. 232. See also *Cal. of Doc. rel. to Ireland* (R. S.), 1171-1251, No. 2871.

⁴ *Calendar of Patent Rolls, 1272-1281*, p. 52. Edward I. frequently drew upon his deposits at the New Temple through orders to Brother Warin. See *Calendar of Patent Rolls, 1272-1281*, pp. 83, 84, 100, 140, 141.

In the class of disbursements next to be considered, money was transferred from the treasury to the Temple for the purpose of discharging definite obligations. The king wrote a letter to his barons of the exchequer or to his treasurer and chamberlains directing the payment to the Templars of a specified sum "to the use" of a specified person. The obligations thus discharged consisted of debts, including the repayment of some of the loans already considered, of gifts, and the execution of financial clauses in formal treaties and in more or less informal agreements which bound the king to the payment of marriage portions, pensions, and the like. It is not possible always to be sure as to just what function the Templars performed in these cases. Usually it is clear that their services consisted in accomplishing a payment between London and the continent without the actual transfer of money; that is, the Templars seem at an early period to have worked out between their various commanderies a system of money transfers by bills of exchange of which kings, magnates, and also the Italian merchants seem freely to have availed themselves.¹

It has already been observed that sometimes the Templars lent the money to meet a certain obligation and arranged for its payment to the person concerned. Repayment was sometimes provided for under their auspices. This was true of some of the ransoms in John's reign, notably those of William Briwere and Gerard de Athies.² John wrote from Oxford, July 22, 1215, directing his treasurer and chamberlains to pay to the Templars in England 1,100 marks on a debt which he owed Master Gerard Brochard in Poitou.³ In 1226, Henry III. bought a ship of the Spanish Templars. On July seventh he wrote to the master of the order in Spain that 200 marks for the price of the ship would be rendered him at the house of the New Temple in London in the hands of the master of that house; should this amount be unsatisfactory, more would be added.⁴ In 1257, a sum of 540 marks which Henry III. had borrowed of the merchants of Florence was to be repaid at the New Temple, London. The loan was made for the "affair in Sicily." The

¹ For the early history of bills of exchange, see Goldschmidt, *Universalgeschichte des Handelsrechts* (1891), 403-465, and Endemann, *Studien in der Romanisch-canonistischen Wirthschafts- und Rechtslehre*, I. 75-115.

² *Rot. Pat.*, 41, 42, 65.

³ *Rot. Claus.*, I. 221; see also *Rot. Pat.*, 152. In 1242, Henry III. at Bordeaux offered to repay the money, which he hoped to borrow of the master of the Temple at Paris, either in London or in Paris. *Rôles Gascons* (ed. Michel), I. No. 994. The loan to the Friscobaldi in 1299 was to be repaid at the Temple in Paris. *Calendar of Patent Rolls*, 1292-1301, p. 419.

⁴ *Rot. Claus.*, II. 154. An order of the same date was made for the payment of three marks to Brother Martin of the Temple in Spain for his expenses home. *Rot. Claus.*, II. 127.

instrument quoted in Rymer is a bond given by the King's procureurs at Viterbo to certain merchants of Sienna and Florence. Payment was to be made next Pentecost at the New Temple in London.¹

The Templars often executed the financial clauses of treaties, as in the case of the annual payment to the pope² and the indemnity to Louis of France,³ burdens resulting from John's folly and misrule with which the government of Henry III. found itself charged. An excellent illustration of the way in which payments on the continent were accomplished through the New Temple in London appears in an agreement between Henry III. and the Count of March for the transfer of the island of Oleron. Henry was to pay £200 to the master of the Temple in England annually for five years; the Templars were to pay the Count of March.⁴

The Templars were often employed for accomplishing the payment of gifts, marriage portions, pensions, and matters of that sort. The earliest notice occurs towards the close of Henry II.'s reign. The King agreed to give the widow of his son Henry £2,750 a year. One payment was to be made at the Temple at Sainte Vaubourg near Rouen in the spring, the other in the winter at Paris.⁵ In 1215, John wrote to the Pope concerning the dower of his sister-in-law, Berengaria. He had agreed to give her 2,000 marks for arrears and 1,000 marks annually in the future; the money was to be paid through the house of the New Temple in London.⁶ Arrangements were made in 1248 for yearly pensions to the King's uncles, Thomas and Amadeus of Savoy. Of the 700 marks paid into the exchequer annually by Hugh le Bigod, 500 were to be placed in the New Temple for Thomas, 200 for Amadeus.⁷

¹ Rymer, I. 365. This use of the Temple by the Italian merchants was not uncommon. In 1258, Henry III., his wife, and his son Edward borrowed 10,000 marks of the Florentine merchants pledging themselves to repay at the New Temple before June 24. See Pat. 42, Henry III., m. 6, cited by Bémont, *Rôles Gascons*, II. p. cxxv. For other examples of the custom of paying debts through the Temple, see *Rotuli de Liberate*, ed. Hardy (R. C.), p. 8; *Rot. Claus.*, I. 159, 471.

² *Rot. Claus.*, I. 396. See also *Rôles Gascons* (ed. Michel), I. p. 259, No. 2035.

³ *Rot. Claus.*, I. 415, 465.

⁴ Rymer, I. 218. In 1253, it was arranged that the bill of damages, which Henry III. had agreed to pay to his kinsman, the Count of Toulouse, for the depredations of his Gascon subjects, should be discharged at the Temple in Paris. *Rôles Gascons* (ed. Michel), I. No. 2175. For examples in 1259 and in 1279, see Rymer, I. 383, 409, 572.

⁵ *Calendar of Documents preserved in France* (R. S.), 918-1206, pp. 382-383.

⁶ *Rot. Pat.*, 181. Berengaria still had trouble in getting her money. The next year, John wrote to beg her to wait for payment until "the dark cloud which threatens us shall have been dissipated." *Rot. Pat.*, pp. xx, 200; *Letters of Royal and Illustrious Ladies*, ed. M. A. E. Wood, I. 31; *Rot. Claus.*, I. 480.

⁷ Rymer, I. 269. Other pensions paid for the King by the Templars are as follows: Peter Sarracen, *Rot. Claus.*, I. 544; see also pp. 363, 381, and Delisle, p. 39; Vicomte de Thouars, *Rot. Claus.*, I. 581, 594; Hugh of Ostia, bishop and cardinal, *Rot. Claus.*, II. 118; Hubert Huese, *Rot. Claus.*, II. 126; Ferrand, Count of Flanders, Rymer, I. 196.

Services of this kind, often involving payments at a distance without the actual transfer of funds, were performed for the English kings by the Templars, especially in the first half of the thirteenth century; that is, before the societies of foreign merchants had become fully established in England. The Hospitallers may occasionally have rendered similar services,¹ but it seems that, on the whole, the Templars had the field almost to themselves until the middle of the century. These payments were, therefore, perhaps the most important of the financial operations conducted by the order for the English Crown.

Financial operations of the kind which have been described were performed by the Templars for nobles, merchants, and in general for such individuals or corporations as had need of them. A charter of the period between 1202 and 1206 sets forth the adjustment of a dispute by which Hugh of Gloucester agreed to pay the abbot and monks of La Couture yearly, at Mid-Lent, ten marks of silver at the New Temple, London, in return for the possession of a manor and church which had been in dispute.² In 1205, four merchants of Cahors borrowed at the Temple the twenty marks which they were obliged to pay the King for his license to trade.³ The Templars had lent money to Hubert de Burgh, as it appears from an order in the close rolls of 1233. Henry III. had imprisoned Hubert but permitted the master of the Templars and Philip de Heye to have an interview with him in the presence of his guards. Nothing was to be spoken of but the money which Hubert owed to the brothers of the Temple.⁴

The Caursine usurers bound their debtors to payment at the New Temple, London.⁵ In 1252, a charter of the abbot and convent of St. Albans attested that they had borrowed 115 marks from a certain foreign merchant which they agreed to repay at a fixed time at the New Temple.⁶ Fulk, Archbishop of Dublin, in 1066 repaid at the Temple in London a loan of £100 and 550 marks for which he was indebted to the merchants of Florence.⁷ In 1283, Godfrey le Herdler, Gilbert de Harwe, goldsmiths, and Bartholomew, the cook, acknowledged themselves bound to the prior of the

¹ *Documents Illustrative of English History*, ed. Henry Cole (R. C.), 245; *Lettres de Rois* (ed. Champollion-Figeac), I. 94-95.

² *Calendar of Documents preserved in France* (R. S.), 918-1206, No. 1041.

³ *Rot. Claus.*, I. 55.

⁴ *Letters, Henry III.* (R. S.), I. 525.

⁵ Matthew Paris (R. S.), III. 329.

⁶ *Ibid.*, VI. 221.

⁷ *Historical and Municipal Documents of Ireland* (R. S.), pp. 166-168; *Historica MSS. Commission*, X. 216.

knights of the Temple of London in the sum of twelve shillings.¹ A few years later, in 1290, Richard Peterel bound himself to pay a debt of £118 17s. 6d., which he owed William de Hamelton for corn, at the New Temple "in the quinzaine of St. Michael."² These examples illustrate the position of the Templars as agents in an annual payment between England and France, as money-lenders, and as intermediaries between foreign merchants and their debtors.

The Templars could not have engaged in financial operations so extensively as the evidence indicates without a somewhat elaborate and minute system of bookkeeping, and in many respects they must have incurred risks and expenses similar to those of the modern banker. On the interesting question as to how the Templars indemnified themselves for these expenses, the available records throw practically no light. There are notices, now and then, of royal gifts to the order,³ and, what is more significant, of grants of special privileges in trade, as for shipping wine⁴ and wool.⁵ M. Delisle believes that the Templars made loans on suitable security from the capital deposited with them.⁶ The question still remains as to how this profited them in an age which held the sentiments of the thirteenth century on the subject of taking interest. The⁷ most suggestive evidence is to be found in the clause of the bonds, exacted by the foreign merchants of their debtors, which obliged the borrower to make an additional payment, "pro recompensacione dampnorum, interesse, et expensis," in case the money was not repaid at a specified time. Several such bonds have been referred to in order to illustrate the employment of the Temple as an exchange through which payments were made. The earliest, that quoted by Matthew Paris in his narrative for the year 1235, is the bond of the Caursine usurers, so-called, who were the "papal merchants" from Cahors and other cities of southern France and Italy, and who came to England in that year to engage in the collection of the papal revenues.⁸ The borrowers agreed that, if they were unable to repay the money at a specified time, they would pay one mark for ten, every two months, for losses incurred.⁹ This is a rate of sixty

¹ *Calendar of Letter-Books*, Letter-Book A (ed. R. R. Sharpe), p. 72.

² *Ibid.*, 129-130.

³ *Rot. Claus.*, I. 17, 149; *Calendar of Documents rel. to Ireland* (R. S.), I. No. 2915.

⁴ *Rot. Claus.*, I. 159; *Rot. Pat.*, III.

⁵ *Ibid.*, 104; *Rot. Claus.*, I. 609.

⁶ Pp. 15, 87.

⁷ For the doctrine of interest or usury, see Ashley, *Economic History*, I. §17; II. §65.

⁸ Ashley, *Economic History*, I. 198; Cunningham, *Growth of English Industry*, I. 208; Bond, 212-215.

⁹ Matthew Paris (R. S.), III. 329.

per cent. per annum, seventeen per cent. more than the Jews were permitted to bargain for.¹

The exacting of any payment for the use of money which had been loaned was, of course, forbidden by the canon law and was abhorrent to the moral and religious feeling of the time. While commerce remained undeveloped, this feeling may be justified, as Professor Ashley has shown.² But as trade revived, constant evasions necessitated constant efforts at repression by the courts Christian within whose jurisdiction the matter lay. The Jews practised usury, and could not be deterred by such penalties as excommunication or refusal of Christian burial, the only ones at the disposal of the Church tribunals. The clause in the bonds, quoted above, was a device worked out in the first half of the thirteenth century by which Christians might make a profit on loans and still save their consciences and keep the letter of the law. Here was an elastic method for extending the business and the gains of the money-lender. "Interesse" was used in its original sense, meaning "id quod interest," that is, the difference between the creditor's present position and what it would have been if the terms of the agreement had been fulfilled and the debt paid at the appointed time. Even in the feeling of the period, the lender might conceivably incur loss by the delay, and therefore be entitled to compensation.³ We know that the French and Italian merchants practised this device or evasion, and that it was employed on one occasion by the head of the order of the Knights Templars. The possibility existed for the Templars to make large profits through the capital in their hands. To what extent they availed themselves of their opportunities, we have no means of knowing.

Records extending over a period of more than a century prove conclusively the close relations which existed between the English government and the Knights Templars. The financial operations which they performed for the English kings consisted, briefly, in the custody of treasure and the receipt of royal revenue, on the one

¹ Ashley, *Economic History*, I. 200. A similar clause was inserted in the note given for 115 marks to Florentine merchants by the abbot and monks of St. Albans in 1252, Matthew Paris (R. S.), VI. 221; in the loan negotiated at Viterbo for Henry III. in 1257, Rymer, I. 365; in the note given by Henry III. to merchants of Florence for a loan of 10,000 marks, in 1258, *Rôles Gascons* (ed. Charles Bémont), II. cxxv.; and in that of Fulk, Archbishop of Dublin to Florentine merchants, in 1266; *Historical and Municipal Documents of Ireland* (R. S.), 166-168. Finally, in the acquittance sent to Edward I., in 1274, by the master of the Templars, William of Beaulieu, for the repayment of the loan made to him in Palestine, a sum paid "tam super principali quam super custibus, dampnis, et interesse," is expressly mentioned. Rymer, I. 514.

² Ashley, *Economic History*, I. 155; II. 394-395; Cunningham, *Growth of English Industry*, I. 258.

³ Ashley, *Economic History*, I. 196; II. 399.

hand, and, on the other, in the administration of trusts, the advancing of loans, cashing of orders on deposits, and in effecting payments between London and the continent. The evidence shows, not that the Templars at any time financed the projects of the kings—the loans amount to a comparatively insignificant sum—but that their most useful services consisted in the handling of money derived from other sources. The practice of employing the Templars in financial affairs appears fully developed at so early a period, that they must, almost from the beginning, have been characterized by the integrity and administrative capacity which led men to turn to them in matters of trust; and, as the custom persisted up to the hour of their destruction, they must have continued to inspire confidence. Yet the Templars were certainly very unpopular with their contemporaries. That they shared the popular disfavor with the foreign merchants and the Jews is perhaps a significant fact. It has been suggested that, in addition to all the familiar explanations of their unpopularity, the fact should be taken into consideration that their connection with a lucrative financial business involved them in the suspicion which attached to all who were engaged in monetary transactions.¹ The important civil services performed by the Templars have been eclipsed by the splendor and romance of their military exploits. It seems, however, that by their financial operations they contributed to the progress of civilization in their time, and that posterity should recognize the services which in contemporary opinion brought them only dislike and distrust.

The circumstances under which the Templars met their end are sufficiently tragic, whether Philip the Fair's accusations had any basis in fact or not. Students of the subject to-day are practically agreed that the charges brought against them were totally unfounded. The iniquity of Philip's attack, which has been called the greatest crime of the Middle Ages, becomes the deeper as the order's efficient performance of the peaceful as well as of the military functions entrusted to it is the more clearly revealed.

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¹ Cunningham, *Growth of English Industry*, I. 274.